

minimum amounts of electric energy for sale to retail customers from renewable generating resources;

WHEREAS, Virginia Electric and Power Company has an obligation to ensure the safe, reliable, and affordable delivery of electricity to its customers year-round, and that new generating facilities are needed to meet the growing capacity and energy needs of its customers;

WHEREAS, there are many generating facilities that are in PJM's Transition Cycle No. 1 (in PJM Queues AE1, AE2, AF1, AF2 and AG1) and PJM's Transition Cycle No. 2 (in PJM Queues AG2 and AH1) seeking to interconnect to the DEV Transmission System, and DEV is relying on a significant number of those facilities in order to be able to satisfy the growing capacity and energy needs of its customers as well as the minimum renewable and energy storage generation mandates of the Act, including the minimum renewable generation mandates that will be implemented in 2026;

WHEREAS, PJM recently received FERC approval of a filing that revised the PJM Open Access Transmission Tariff to substantially revise its generation interconnection process, which is likely to require additional time for PJM to process the backlog of new interconnection queue positions for the interconnection of many of the generating facilities seeking to interconnect to the DEV Transmission System, including the generating facilities that Virginia Electric and Power Company is relying on to meet energy and capacity needs and for compliance with the deadlines set forth in the Act;

WHEREAS, DEV expects this additional time to process the PJM backlog to last until at least the 2026-27 time period, but in any event until the transition period for the revised PJM interconnection process is complete;

WHEREAS, DEV seeks to implement a process, to be applicable during the PJM transition to its revised generation interconnection rules, that will allow, at a Project Developer's request and expense, for the engineering, procurement and/or construction of interconnection facilities (but not Network Upgrades) identified in this Agreement for generating facilities moving through the PJM interconnection process in PJM's Transition Cycle No. 1 (in PJM Queues AE1, AE2, AF1, AF2 and AG1) and PJM's Transition Cycle No. 2 (in PJM Queues AG2 and AH1);

WHEREAS, the construction of these types of interconnection facilities will enable Project Developer to timely construct and test such facilities, and will also facilitate the full interconnection and commercial operation of such facilities once they have completed the PJM interconnection process and have become subject to an effective Generation Interconnection Agreement and Construction Service Agreement under the PJM OATT; and

WHEREAS, Project Developer intends to construct, own, and operate a new generating facility with a capacity of ____ MW located in _____ that will interconnect to the DEV Transmission System (defined below as "Project Developer Facility"), and Project Developer has submitted to PJM an Interconnection Request for the Project Developer Facility, for which PJM has assigned Queue Position #_____;

WHEREAS, Project Developer desires to interconnect the Project Developer Facility with DEV's transmission system; and

WHEREAS, in order to advance the implementation of the interconnection service for the Project Developer Facility, and prior to the completion and execution of the PJM Construction Service Agreement specified in the PJM OATT, Project Developer has requested to proceed with the engineering, procurement, and construction of the basic interconnection facilities that will be required for the interconnection of the Project Developer Facility to the DEV Transmission System in accordance with the terms of this Agreement;

WHEREAS, before DEV will be able to proceed with the engineering, procurement, and construction of the basic interconnection facilities that will be required for the interconnection of the Project Developer Facility to the DEV Transmission System, it will need to conduct a study of the proposed interconnection in order to provide a non-binding estimate of the costs and construction schedule for interconnecting the Project Developer Facility to the DEV Transmission System, and specified and estimated the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the study (defined as the Project Developer Study), in accordance with Good Utility Practice, to physically and electrically connect the Project Developer Facility to the DEV Transmission System; and

WHEREAS, Project Developer has requested DEV to perform a facilities study to assess interconnecting the proposed Project Development Facility with the DEV Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained in this Agreement the Parties agreed as follows:

1.0 Definitions

Wherever used in this Agreement with initial capitalization, the following terms shall have the meanings specified or referred to in this Article 1. Unless otherwise specified, all references herein to Sections, Articles, Schedules, Exhibits or Appendices are to Sections, Articles, Schedules, Exhibits or Appendices of this Agreement.

“Construction Service Agreement” has the meaning set forth in the PJM OATT.

“DEV Interconnection Facilities” means all Facilities that are not Project Developer Interconnection Facilities and that are owned, controlled, operated and maintained by DEV on the DEV side of the Point of Change of Ownership, including any modifications, additions or upgrades made to such facilities and equipment, that are necessary to physically and electrically interconnect the Project Developer Facility with the DEV Transmission System.

“DEV Transmission System” means the portion of the PJM Transmission System owned or controlled by DEV.

“Generation Interconnection Agreement” means the PJM form of interconnection agreement applicable to a Generation Interconnection Request, which form is set forth in the PJM OATT, Part IX, Subpart B.

“Good Utility Practice” means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or
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any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather is intended to include acceptable practices, methods, or acts generally accepted in the region; including those practices required by Federal Power Act, section 215(a)(4).

“Interconnection Request” means a Generation Interconnection Request by a Generation Project Developer pursuant to the PJM OATT, Part VII, Subpart C, section 306(A)(1) to interconnect a generating unit with the DEV Transmission System.

“Network Upgrades” means modifications or additions to transmission-related facilities that are integrated with and support the PJM Transmission System for the general benefit of all users of the PJM Transmission System.

“PJM” means PJM Interconnection, L.L.C. or any successor organization.

“PJM Open Access Transmission Tariff (PJM OATT)” means the tariff, including all schedules, exhibits, appendices, addenda or supplements thereto, on file with and made effective by FERC, that governs, *inter alia*, the provision of transmission and interconnection service on the PJM Transmission System, as it may be amended from time-to-time.

“PJM Operating Agreement” means the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. dated as of April 1, 1997 and as amended and restated as of June 2, 1997, including all schedules, exhibits, appendices, addenda or supplements thereto, on file with and made effective by FERC, as it may be amended from time-to-time.

“PJM Transmission System” means the facilities controlled or operated by PJM within the PJM Region that are used to provide transmission services under the PJM Tariff Part II and Part III.

“PJM Region” has the meaning set forth in the PJM Operating Agreement.

“Point of Change of Ownership” means the point(s) where Project Developer’s Interconnection Facilities interconnect to DEV’s Interconnection Facilities.

“Project Developer Facility” means Project Developer’s generating facility that seeks to be interconnected to the DEV Transmission System pursuant to this Agreement.

“Project Developer Interconnection Facilities” means all facilities and equipment owned and/or controlled, operated and maintained by Project Developer on Project Developer’s side of the Point of Change of Ownership, including any modifications, additions, or upgrades made to such facilities and equipment, that are necessary to physically and electrically interconnect the Project Developer Facility with the DEV Transmission System.

“Site” means all of the real property, including but not limited to any owned or leased real property, bodies of water and/or submerged land, and easements, or other forms of property rights

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acceptable to PJM, on which the Project Developer Facility is situated and/or on which the Project Developer Interconnection Facilities are to be located.

2.0 The Project Developer elects, and DEV shall cause to be performed, a facilities study (“Project Developer Study”) consistent with the DEV facility interconnection requirements.

3.0 The Project Developer shall provide to DEV a cash deposit in the amount of \$100,000 to cover DEV’s costs to conduct the Project Developer Study, including any associated professional and administrative costs. Project Developer Study costs will be deducted from this deposit.

3.1 The Project Developer Study cost shall be DEV’s actual incremental costs and will be invoiced to the Project Developer no later than ninety (90) business days after the Project Developer Study is completed and delivered and will include a summary of professional time.

3.2 The Project Developer shall pay any Project Developer Study costs that exceed the deposit within twenty (20) business days after receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, and Project Developer decides not to further pursue the option of constructing the Project Developer Interconnection Facilities after receiving the Project Developer Study or prior to that date, DEV shall refund the excess within 20 business days of the invoice without interest unless additional studies are required. If Project Developer decides to move forward with entering into a construction agreement with DEV to construct the Project Developer Interconnection Facilities, the excess shall be applied to the security that will be required under that construction agreement.

4.0 The scope of the Project Developer Study shall be based on the assumptions, technical and other information provided by the Project Developer in the Interconnection Request submitted to PJM for Interconnection Queue No. _____, and as set forth in Attachment A hereto, as may be modified as the result of the scoping meeting. DEV reserves the right to request additional technical information from the Project Developer as may reasonably become necessary consistent with Good Utility Practice during the course of the Project Developer Study and as designated in accordance with the DEV facility interconnection requirements. If the information requested by DEV is not provided by the Project Developer within a reasonable timeframe to be identified by DEV in writing, DEV shall provide the Project Developer written notice providing an opportunity to cure such failure by the close of business on the 10th business day following the date of such notice, where failure to provide the information requested within this period shall result in the Project Developer Study and this Agreement being terminated. The period of time for DEV to complete the Project Developer Study shall be tolled during any period that DEV has requested information in writing from the Project Developer necessary to complete the Project Developer Study and such request is outstanding.

The Project Developer agrees that this Agreement, and the Project Developer Study contemplated hereby, do not replace the interconnection studies that are required to be performed for its project in the PJM interconnection process in accordance with the PJM OATT. Further, notwithstanding the results of the Project Developer Study contemplated by this Agreement and any differences with the results of the PJM interconnection studies, Project Developer agrees that if it proceeds with the development of its Project Developer Facility and Project Developer Interconnection Facilities it will be responsible for the costs of all facilities identified in the PJM interconnection process in the manner required by the PJM OATT.

5.0 In performing the Project Developer Study, DEV shall rely, to the extent reasonably practicable, on recent studies, if any. The Project Developer shall not be charged for such existing studies; however, the Project Developer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the Project Developer Study.

6.0 The Project Developer Study shall identify a list of facilities and modifications that would be required as a result of the interconnection along with estimates of cost responsibility and time to construct.

7.0 If DEV uses a queuing procedure for sorting or prioritizing projects, the Project Developer Study shall consider all generating facilities (and with respect to Section 7.2 of this Agreement) that, on the date the Project Developer Study is commenced:

7.1 Are directly interconnected with the DEV Transmission System; and

7.2 Have a pending project for which a facilities study has been requested for a proposed interconnection with the DEV Transmission System.

8.0 The Project Developer Study shall specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the Project Developer Study and to allow the Project Development Facility to be constructed.

9.0 The Project Developer Study shall also identify (i) the electrical switching configuration of the equipment, including transformer, switchgear, meters, and other station equipment; (ii) the nature and estimated cost of the attachment facilities and distribution upgrades necessary to accomplish the interconnection; and (iii) an estimate of the time required to complete the construction and installation of such facilities.

10.0 DEV shall use reasonable efforts, consistent with Good Utility Practice and taking into consideration the number of studies DEV is already undertaking for developers, to provide the Project Developer a copy of the completed Project Developer Study within nine (9) months of DEV's receipt of this fully executed Agreement and required deposit.

11.0 Governing law, regulatory authority, and rules. The validity, interpretation, and enforcement of this Agreement and each of its provisions shall be governed by the laws of the Commonwealth of Virginia, without regard to its conflicts of law principles. This Agreement is subject to all applicable laws and regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a governmental authority.

12.0 Amendment. The Parties may amend this Agreement by a written instrument duly executed by both Parties.

13.0 No third-party beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations in this Agreement assumed are

been made; provided that in no event shall DEV be liable for the actions or inactions of the Project Developer or its subcontractors with respect to obligations of the Project Developer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon and shall be construed as having application to any subcontractor of such Party.

19.2 The obligations under this Section 19.0 of this Agreement will not be limited in any way by any limitation of subcontractor's insurance.

20.0 Reservation of rights. DEV shall have the right to make a unilateral filing with the State Corporation Commission to modify this Agreement with respect to any rates, terms, and conditions, charges, or classifications of service, and the Project Developer shall have the right to make a unilateral filing with the State Corporation Commission to modify this Agreement; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before the State Corporation Commission in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties except to the extent that the Parties otherwise agree as provided in this Agreement.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year of this Agreement.

PROJECT DEVELOPER:

DEV:

**(Insert name of Project Developer)
[Virginia Electric and Power Company d/b/a
Dominion Energy Virginia (Power
Generation)]**

**Virginia Electric and Power Company d/b/a
Dominion Energy Virginia (Electric
Transmission)**

Signed: _____

Signed: _____

Name (Printed): _____

Name (Printed): _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment A
Facilities Study Agreement
Assumptions Used in Conducting the Project Developer Study
Attach Copy of Project Developer's Final Accepted Queue Point Submittal to PJM